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RR RUEHCN RUEHGH RUEHVC
DE RUEHBJ #2489 2440935
ZNR UUUUU ZZH
R 010935Z SEP 09
FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC 5848
INFO RUEHOO/CHINA POSTS COLLECTIVE
RHMFIUU/CDR USPACOM HONOLULU HI

UNCLAS BEIJING 002489

DEPARTMENT FOR INR/R/MR, EAP/CM, EAP/PA, EAP/PD, C
HQ PACOM FOR PUBLIC DIPLOMACY ADVISOR (J007)
SIPDIS

E.O. 12958: N/A

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SUBJECT: MEDIA REACTION: TAIWAN, U.S.-CHINA TRADE DISPUTES,
ENVIRONMENT

Editorial Quotes

11. TAIWAN

"U.S. secretly pushing cross-Strait military relations for own benefit"

The China Radio International sponsored newspaper World News Journal (Shijie Xinwenbao)(09/01)(pg 4): "During a recent visit to Taiwan, a researcher at an American think tank said the two sides of the Strait can now begin to develop a 'military mutual trust system.' This indicates that the Obama administration intends to push Taiwan towards the early development of a 'military mutual trust system' with the Mainland. In fact, the U.S. does not worry about whether or not this system would harm U.S. interests, since it believes that Taiwan is unable to rid itself of U.S. influence and unable to unilaterally hold talks with the Mainland over a "military mutual trust system" without U.S. involvement. What's more, by promoting 'cross-Strait military mutual trust,' the U.S. can benefit in three ways: placate the Mainland, interfere in the cross-Strait issue, and further U.S. interests, specifically by urging the Mainland abandon the use of force as a viable means of resolving the Taiwan issue and by gaining more military information on the Mainland by pushing it to be more transparent with Taiwan. For the Mainland, a necessary precondition for establishing a "military mutual trust system" is to agree on China's unification, a condition Taiwan does not accept. In fact, the U.S. knows that cross-Strait disputes are beneficial to its interests. The U.S. does not want to see the Mainland and Taiwan get too close and unite."

12. U.S.-CHINA TRADE DISPUTES

"The final fight"

Guangdong 21st Century Publishing Company's business newspaper 21st Century Business Herald (21 Shiji Jingji Baodao) (09/01)(pg 3): (Related to the U.S.-China tire trade issue) "The Obama administration cannot ignore the voice of China. The U.S. special protection measures on tires have caused widespread unease in many related industries in China. Leaders of some Chinese industry associations have advocated strong retaliatory measures to prevent the U.S. from adopting similar special protection measures against other industries in the future. At the end of September, Obama will host the G20 summit in Pittsburgh and meet with Chinese leaders. It will be very embarrassing at that time if Obama decides to impose high punitive tariffs on Chinese tires. If he decides to do this, Obama, who has always been an advocate of free trade, will inevitably face criticism for adopting protectionist policies and potentially starting a trade war. Cooper Tires, the fourth largest tire company in the U.S., has taken a stand against the proposed special protection measures. Chinese experts argue that Cooper Tires' position means a lot for China since it shows that some U.S. companies believe they do not need the protections. Most of Chinese companies are starting to prepare for both possible outcomes of

Obama's decision on the issue."

13. ENVIRONMENT

"Practical measures must be taken to develop a low-carbon economy"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(09/01)(pg 15): "On August 12, the State Council passed a draft environmental law to regulate greenhouse gas emissions and create a long-term strategy for addressing climate change within various levels of government. Thus, the regulations necessary for the creation of a low-carbon economy have been formally laid out. Most companies in China cannot afford to invest in low-carbon production methods due to the huge cost and delayed profits. Many companies are forced to adopt energy-intensive production methods due to the lack of manpower, resources, and budget. What's more, local governments often fail to effectively maintain environmental protection facilities built with central government money because they are unwilling to pay for maintenance out of local funds. The most difficult obstacle for China is the attitude of its citizens. There is still a large gap between the views of Chinese citizens and the views developed countries' citizens on environmental protection. China must make progress in developing a low-carbon economy; otherwise, it will be unable to have a smooth economic transformation."

HUNTSMAN